United Nations A/61/424/Add.5

General Assembly

Distr.: General
13 December 2006

Original: English

Sixty-first session
Agenda item 55 (e)

Globalization and interdependence: integration of the economies in transition into the world economy

Report of the Second Committee*

Rapporteur: Ms. Vanessa **Gomes** (Portugal)

I. Introduction

1. The Second Committee held a substantive debate on agenda item 55 (see A/61/424, para. 2). Action on sub-item (e) was taken at the 20th and 25th meetings, on 25 October and 7 November 2006. An account of the Committee's consideration of the sub-item is contained in the relevant summary records (A/C.2/61/SR.20 and 25).

II. Consideration of draft resolution A/C.2/61/L.11 and /Rev.1

2. At the 20th meeting, on 25 October, the representative of Belarus, on behalf of Armenia, Azerbaijan, Belarus, Croatia, Kazakhstan, Kyrgyzstan, the Russian Federation, Tajikistan, Turkmenistan and Ukraine, introduced a draft resolution entitled "Integration of the economies in transition into the world economy" (A/C.2/61/L.11), which read:

> "*The General Assembly*,
>
> "*Reaffirming* its resolutions 47/187 of 22 December 1992, 48/181 of 21 December 1993, 49/106 of 19 December 1994, 51/175 of 6 December 1996, 53/179 of 15 December 1998, 55/191 of 20 December 2000, 57/247 of 20 December 2002 and 59/243 of 22 December 2004,
>
> "*Recalling* the 2005 World Summit Outcome and relevant General Assembly resolutions adopted at its sixtieth session which contain the

* The report of the Committee on this item will be issued in six parts, under the symbol A/61/424 and Add.1-5.

06-65960 (E) 181206

provisions on addressing the special needs of the countries with economies in transition,

"*Reaffirming* the need for the full integration of the countries with economies in transition into the world economy, and in this regard stressing the importance of ensuring a conducive international environment,

"*Welcoming* the progress made in those countries towards market-oriented reforms and achieving macroeconomic and financial stability and economic growth, inter alia, through sound macroeconomic policies, good governance and the rule of law, and noting the need to sustain those positive trends,

"*Noting* that in some economies in transition this progress has been slower, resulting in lower aggregate development levels and lower per capita income,

"*Taking into account* that the poverty level is still high in many countries with economies in transition, in particular in the rural areas,

"*Stressing* the importance of continued international assistance to countries with economies in transition to support their efforts towards market-oriented reforms, institution-building, infrastructure development and achieving macroeconomic and financial stability and economic growth, and to ensure that they are fully integrated into the world economy,

"*Recognizing*, in particular, the need to enhance the capacity of those countries to utilize effectively the benefits of globalization, including those in the field of information and communication technologies, and to respond more adequately to its challenges,

"*Recognizing also* the continuing need for favourable conditions for market access of exports from countries with economies in transition, in accordance with multilateral trade agreements,

"*Recognizing further* the important role that foreign direct investment should play in those countries, and stressing the need to create an enabling environment, both domestically and internationally, to attract more foreign direct investment to those countries,

"*Recognizing* the role that the private sector can play in the socio-economic development of those countries and their integration into the world economy, and stressing the importance of fostering a favourable environment for private investment and entrepreneurship,

"*Taking note* of the report of the Secretary-General,

"1. *Welcomes* the measures taken by the organizations of the United Nations system to implement General Assembly resolutions on the integration of the economies in transition into the world economy;

"2. *Calls upon* the organizations of the United Nations system, including the regional commissions, and *invites* the Bretton Woods institutions, in collaboration with relevant non-United Nations multilateral and regional institutions, to continue to conduct analytical activities and provide policy advice and targeted and substantial technical assistance to the

Governments of the countries with economies in transition aimed at strengthening the social, legal and political framework for completing market-oriented reforms, supporting national development priorities with a view to sustaining the positive trends and reversing any declines in the economic and social development of those countries;

"3. *Emphasizes* in this regard the importance of the further integration of the countries with economies in transition into the world economy, taking into account, inter alia, the relevant provisions of the Monterrey Consensus of the International Conference on Financing for Development, the Johannesburg Declaration on Sustainable Development and the Plan of Implementation of the World Summit on Sustainable Development ('Johannesburg Plan of Implementation');

"4. *Stresses* the need to focus international assistance to countries with economies in transition on those facing particular difficulties in socio-economic development, implementing market-oriented reforms and meeting internationally agreed development goals, including those contained in the United Nations Millennium Declaration, and welcomes efforts made by countries with economies in transition to improve governance and institutional capabilities in order to use aid more effectively;

"5. *Welcomes* the efforts made by countries with economies in transition in implementing policies that promote sustained economic growth and sustainable development, including, inter alia, by promoting competition, regulatory reform, respect for property rights and expeditious contract enforcement, and calls upon the United Nations system to highlight the successful models as good practices;

"6. *Also welcomes* the aspiration of the countries with economies in transition towards the further development of regional, subregional and interregional cooperation, and invites the United Nations system to enhance dialogue with and increase support to the regional and subregional cooperation organizations whose membership includes the countries with economies in transition;

"7. *Emphasizes* the need to broaden and strengthen the participation of countries with economies in transition in international economic decision-making and norm-setting, to that end stresses the importance of continuing efforts to reform the international financial architecture, noting that enhancing the voice and participation of countries with economies in transition in the Bretton Woods institutions remains a continuous concern, and in this regard calls for further and effective progress;

"8. *Recognizes* the importance of infrastructure development for the diversification of economies of the countries with economies in transition and for increasing their gains from trade, and encourages Governments, the United Nations and other relevant stakeholders to support such infrastructure development efforts in this regard;

"9. *Stresses* the importance of facilitating the accession of the countries with economies in transition that apply for membership in the World Trade Organization, bearing in mind paragraph 21 of resolution 55/182 and subsequent developments;

"10. *Requests* the Secretary-General to prepare, in close consultation with the countries with economies in transition, a report on the implementation of the present resolution, inter alia, containing substantial recommendations, including on the strengthening of cooperation between the United Nations system and those countries, and to submit the report to the General Assembly at its sixty-third session."

3. At its 25th meeting, on 7 November, the Committee had before it a revised draft resolution entitled "Integration of the economies in transition into the world economy" (A/C.2/61/L.11/Rev.1), submitted by Armenia, Austria, Azerbaijan, Belarus, Belgium, Bosnia and Herzegovina, Bulgaria, Croatia, Cyprus, the Czech Republic, Estonia, Finland, France, Georgia, Germany, Greece, Hungary, Iceland, Ireland, Japan, Kazakhstan, Kyrgyzstan, Latvia, Lithuania, Mongolia, Poland, Portugal, Romania, the Russian Federation, Serbia, Slovakia, Slovenia, South Africa, Spain, Tajikistan, Turkey, Turkmenistan, Ukraine, the United States of America and Uzbekistan. Subsequently, Chile, Israel and Moldova joined in sponsoring the draft resolution.

4. At the same meeting, the Committee was informed that the draft resolution had no programme budget implications.

5. Also at the same meeting, the Committee adopted draft resolution A/C.2/61/L.11/Rev.1 (see para. 8).

6. After the adoption of the draft resolution, a statement was made by the representative of the Czech Republic, also on behalf of Bulgaria, Estonia, Hungary, Latvia, Lithuania, Romania, Slovakia and Slovenia (see A/C.2/61/SR.25).

7. At the same meeting, a statement was made by the Vice-Chairman of the Committee, Mr. Aboubacar Sadikh Barry (Senegal) (see A/C.2/61/SR.25).

III. Recommendation of the Second Committee

8. The Second Committee recommends to the General Assembly the adoption of the following draft resolution:

Integration of the economies in transition into the world economy

The General Assembly,

Recalling its resolutions 47/187 of 22 December 1992, 48/181 of 21 December 1993, 49/106 of 19 December 1994, 51/175 of 6 December 1996, 53/179 of 15 December 1998, 55/191 of 20 December 2000, 57/247 of 20 December 2002 and 59/243 of 22 December 2004,

Recalling also the 2005 World Summit Outcome[1] and relevant General Assembly resolutions adopted at the sixtieth session which contain provisions on addressing the special needs of the countries with economies in transition,

Reaffirming the need for the full integration of the countries with economies in transition into the world economy, and in this regard stressing the importance of ensuring a conducive national and international environment,

Noting that some of those countries have evolved from the status of economies in transition into functioning market economies,

Noting also that in some economies in transition this progress has been slower, resulting in lower aggregate development levels and lower per capita income,

Taking into account that, despite some progress in the fight against poverty, its level is still high in many countries with economies in transition, particularly in the rural areas,

Stressing the importance of continued international assistance to countries with economies in transition to support their efforts towards market-oriented reforms, institution-building, infrastructure development and achieving macroeconomic and financial stability and economic growth, and to ensure that they are fully integrated into the world economy,

Recognizing, in particular, the need to enhance the capacity of those countries to utilize effectively the benefits of globalization, including those in the field of information and communication technologies, and to respond more adequately to its challenges,

Recognizing also the role that the private sector plays in the socio-economic development of those countries and their integration into the world economy, and stressing the importance of continuing efforts to create a favourable environment for private investment and entrepreneurship,

Recognizing further the continuing need for favourable conditions for market access of exports from countries with economies in transition, in accordance with multilateral trade agreements,

[1] See resolution 60/1.

Recognizing the important role that foreign direct investment can play in those countries, and stressing the need to create an enabling environment, both domestically and internationally, to attract more foreign direct investment to those countries,

Taking note of the report of the Secretary-General,[2]

1. *Welcomes* the measures taken by the organizations of the United Nations system to implement General Assembly resolutions on the integration of the economies in transition into the world economy;

2. *Calls upon* the organizations of the United Nations system, including the regional commissions, and invites the Bretton Woods institutions, in collaboration with relevant non-United Nations multilateral and regional institutions, to continue to conduct analytical activities and provide policy advice and targeted and substantial technical assistance to the Governments of the countries with economies in transition aimed at strengthening the social, legal and political framework for completing market-oriented reforms, supporting national development priorities with a view to sustaining the positive trends and reversing any declines in the economic and social development of those countries;

3. *Emphasizes* in this regard the importance of the further integration of the countries with economies in transition into the world economy, taking into account, inter alia, the relevant provisions of the Monterrey Consensus of the International Conference on Financing for Development,[3] the Johannesburg Declaration on Sustainable Development[4] and the Plan of Implementation of the World Summit on Sustainable Development ("Johannesburg Plan of Implementation");[5]

4. *Stresses* the need to focus international assistance, while supporting and complementing domestic efforts and resources, on those countries with economies in transition facing particular difficulties in socio-economic development, implementing market-oriented reforms and meeting internationally agreed development goals, including the Millennium Development Goals;

5. *Welcomes* the efforts and progress made by countries with economies in transition in implementing policies that promote sustained economic growth and sustainable development, including, inter alia, by promoting competition, regulatory reform, good governance and the rule of law, the fight against corruption, respect for property rights and expeditious contract enforcement, and calls upon the United Nations system and invites the Bretton Woods institutions to highlight the successful models as good practices;

6. *Also welcomes* in this regard efforts made by countries with economies in transition to improve governance and institutional capabilities, which contribute to their using aid more effectively;

---

[2] A/61/269.

[3] *Report of the International Conference on Financing for Development, Monterrey, Mexico, 18-22 March 2002* (United Nations publication, Sales No. E.02.II.A.7), chap. I, resolution 1, annex.

[4] *Report of the World Summit on Sustainable Development, Johannesburg, South Africa, 26 August-4 September 2002* (United Nations publication, Sales No. E.03.II.A.1 and corrigendum), chap. I, resolution 1, annex.

[5] Ibid., resolution 2, annex.

7. *Encourages* the countries with economies in transition to continue implementing and, where appropriate, to improve measures to sustain and advance the positive trends mentioned above;

8. *Welcomes* the aspiration of the countries with economies in transition to the further development of regional, subregional and interregional cooperation, and invites the United Nations system to enhance dialogue with and increase support to the regional and subregional cooperation organizations whose membership includes countries with economies in transition and whose efforts include assisting their members to fully integrate into the world economy;

9. *Reaffirms* the commitment to broaden and strengthen the participation of developing countries and countries with economies in transition in international economic decision-making and norm-setting, and to that end stresses the importance of continuing efforts to reform the international financial architecture;

10. *Recognizes* the importance of infrastructure development for diversifying the economies of the countries with economies in transition, and for enhancing their competitiveness and increasing their gains from trade, and encourages the Member States, the United Nations and other relevant stakeholders to support such infrastructure development efforts in this regard;

11. *Reaffirms* the commitment to work to accelerate and facilitate the accession of developing countries and countries with economies in transition to the World Trade Organization, consistent with its criteria, recognizing the importance of universal integration in the rules-based global trading system;

12. *Requests* the Secretary-General to prepare, in close consultation with the countries with economies in transition, a report on the implementation of the present resolution containing, inter alia, substantial recommendations, including on the strengthening of cooperation between the United Nations system and those countries, and to submit the report to the General Assembly at its sixty-third session.